Senator Robert L. Meeks
200 W. Washington St.
Indianapolis, IN 46204

News from the Indiana State Senate

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News You Can Use

Government Programs Help Seniors Get Prescription Drugs

There are high costs involved in bringing prescription drugs to the open market. Part of that price tag is passed on to consumers, which is a hardship for patients who do not have drug coverage.

Elderly Hoosiers spend an average of more than $1,000 per year for prescription drugs. The state and federal government has developed several programs designed to provide affordable prescription drugs for low-income seniors.

The federal government has launched a new drug discount card. Medicare will be providing reliable and accessible information. Anyone enrolled in Medicare Part A or Part B and not receiving Medicare benefits is eligible for the discount drug card program. For more information or to become enrolled, you may call **1-800-MEDICARE** (1-800-633-4227) or visit **www.medicare.gov**.

HoosierRx is a state program that helps shift the cost of prescription drugs away from low-income seniors. HoosierRx was enacted four years ago by the General Assembly and allows seniors who qualify to receive a 75 percent discount on the cost of medications. This program will be coordinated with the Medicare discount drug card to maximize savings. Low-income seniors can sign up for the HoosierRx Drug Card by calling, toll-free, **1-866-267-4679** or by visiting **www.in.gov/HoosierRx**. Local pharmacies will also have applications.

Additional Resources

Leaders from the prescription drug industry have joined the government's efforts to ease the financial burden that prescription drugs pose on senior citizens. A number of the major companies now offer their own program for low-income seniors:

LillyAnswers
1 (800) RX-LILLY (1-877-795-4559)
www.lillyanswers.com

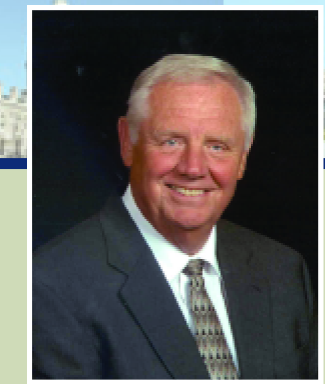
Merck Patient Assistance Program
1 (800) 727-5400
www.merck.com/pap/pap/consumer/index.jsp

Pfizer Share Card
1 (800) 717-6005
www.pfizersharecard.com

Together Rx
1 (800) 865-7211
www.together-rx.com

For a complete directory of prescription drug patient assistance programs visit **www.helpingpatients.org** or call 1 (800) 762-4636.

Senator Robert L. Meeks



News from the Indiana State Senate

I serve the citizens of Senate District 13, which include portions of LaGrange, Steuben, DeKalb, Noble and Kosciusko Counties.

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Send letters to:

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Commission Studies Methods To Replace Property Tax

"We want a better system," and "Do no harm," were the sentiments echoed in the Property Tax Replacement Study Commission, which has met several times at the Statehouse. The property tax situation in Indiana is a frustration shared by many as the newly-formed committee, consisting of legislators, farmers, businessmen, and homeowners, develops methods to reduce local government's reliance on property taxes.

The reassessment process is complete in 90 counties, and agencies and organizations are collecting data that will aid the commission and the legislature in figuring ways to replace over $5.5 billion in property taxes collected each year and to provide oversight of over 9,000 levies and 172 different types of funds for local government programs and services.

This monumental task is being conducted due to a law passed during the 2004 legislative session. The committee must study the effects of eliminating 50 percent, 75 percent, and 100 percent of net property tax levies.

One major hurdle for the commission is to identify revenue sources capable of replacing property taxes and providing sufficient revenue to maintain essential government services. The commission will submit status reports to the Legislative Council, which is the administrative body of the General Assembly, in September.

The commission broke down into small groups that will work on five major issues during the year: Property Tax Administration Issues; Local Government Services; Long Term Debt Issues; Other State Tax Systems; and Property Tax Levies and Controls.

The goal is to lessen local governments' dependence on property taxes and create a more equitable and fair method of funding local government.

Stay Informed
View meeting minutes and notices at
http://www.in.gov/legislative/interim/committee/ptrc.html

Farmland Remains an Asset to Indiana

Indiana loses approximately 100,000 acres of farmland a year to the growth and development of subdivided neighborhoods. Hamilton and Johnson Counties have seen the most urban growth in recent years and because of that, some family farms are being forced to sell out to developers.

According to the Indiana Agricultural Statistics Services at Purdue University, the majority of farm loss occurred in mid-size farms and operations, which annually generate between $10,000 and $100,000 per farm.

Smaller and larger farms are either growing or have been profitable enough to continue their operations. This same research has found that commercial farms are consistently large enough to produce a positive return and those who own smaller farms are not living solely off of the crop revenue.

Lawmakers have tried to step in and help prevent Indiana from losing more farms. In the 2004 legislative session, I supported a measure that would encourage the preservation of farmland. Senate Bill 362 would have allowed the Indiana Land Resource Council to work with local area planning departments to offer farmers and land owners compensation for voluntarily selling easements to restrict the land from developments. SB 362 passed the Senate but did not pass the House of Representatives because of time constraints.

Farmland has been and will continue to be the foundation for Indiana's largest industry. We must work together to save this precious land and Indiana's heritage.

College 101

A parent's guide to saving for college

For children, fall marks the beginning of the school year. For many parents, it brings the stark reality of college and its subsequent costs one year closer to fruition. With tuition prices skyrocketing, the dream of college can quickly turn into a nightmare. The state of Indiana now provides parents with a tool to help finance their children's higher education and gain extra tax benefits as a result.

Since 1997, CollegeChoice allows anyone over age 18 to contribute money into a group investment portfolio made up of a strategic mix of stocks, bonds and money market funds. The program provides contributors with an easy, hands-off way to save for college. Once enrolled, a team of experienced professionals manage the portfolio in order to maximize investment growth.

Individuals can establish an account with just $50 per portfolio and $25 subsequent monthly installments until contributions reach $236,750. No enrollment or application fee exists. The enrollee can name any person as a beneficiary regardless of age and the beneficiary can change at the enrollee's discretion.

Additionally, the investment grows tax-deferred and remains exempt from federal taxes if used for qualified higher education expenses. Whether public or private, the funds can be used at any eligible accredited post-secondary school, including graduate and vocational-technical schools.

Assuming only a 5 percent annual price increase, experts estimate that parents can expect to pay $143,000 to put a child born today through four years of in-state public college and about $306,000 for a private college. This sobering statistic highlights the importance of saving for college early. CollegeChoice offers individuals a useful tool to make sure college remains a dream, not a nightmare.

Identity Theft

America's fastest growing crime

On an average day, someone may pay for gas at the pump, write a check at the grocery store or purchase some merchandise online without giving a second thought to these transactions; however, these seemingly innocent tasks could leave an individual vulnerable to a new breed of robbery.

Identity theft is quickly becoming the most prevalent and costly crime in the nation. Researchers estimate that criminals steal more than 600,000 victims' identities each year, costing consumers and the financial industry billions of dollars.

In 2003, the General Assembly passed legislation strengthening Indiana's identity theft law by protecting not only a person's Social Security number, but also his or her address, phone number, place of employment, employer's identification number and his or her mother's maiden name. The law also includes provisions to help victims untangle the damage incurred on their credit history by an identity thief.

Often, consumers are not aware that their identities have been stolen. Each of us can help protect our information by being cautious. If you would like more information, please contact the **Consumer Protection Division** in the Indiana Attorney General's office, toll-free, at **1-800-382-5516** or visit **www.in.gov/attorneygeneral.**

Prevention Tips

Reduce the chances of identity theft in your everyday life:

- Monitor the balances of your financial accounts and look for unexplained charges or withdrawals
- Track your mail. Failing to receive bills or other mail may signal an address change by an identity thief, as does receiving credit cards for which you did not apply
- Order a copy of your credit reports. Federal law allows consumers to get one free credit report per year
- Guard your Social Security number. Give it out only when absolutely necessary
- Invest in a cross-cutting paper shredder. Destroy credit card applications, checks, receipts, insurance documents and anything with your identifying information.

State Faces Tough Budget Decisions in 2005

Indiana Personal Income Lags the Nation

SNAPSHOT: Representative Jeff Espich and Senator Meeks discussed the financial status of Indiana during a press conference held July 1 at the Statehouse.

On July 12, the state closed the books for Fiscal Year 2004. According to official figures released by the State Budget Agency, the state is expected to have a "surplus" or "reserve" of just $300 million on June 30, 2005 – the close of the current budget cycle. As shown on **Figure 1**, this means the state's reserve will have declined by nearly $2 billion since 1998.

The problem is that state spending has been exceeding state revenues for the past several years. State revenue collections actually decreased in both Fiscal Years 2001 and 2002 before showing a 0.5 percent increase in 2003. Revenue collections increased by about 2.7 percent for Fiscal Year 2004, the year that just ended.

In order to avoid big spending cuts in education and health care, the state has been using the surplus and employing spending delays and other temporary solutions. These measures make it possible for the state to spend nearly $800 million more than it will collect this year. While there is nothing inherently wrong with these accounting measures – they have helped the state avoid big spending cuts in our schools - these measures are only one-time temporary fixes and cannot be sustained. So, while it may seem like Indiana's economy is improving, the state's financial condition actually remains very weak.

A $300 million reserve sounds like a lot of money. But with an annual $11.2 billion General Fund Budget, including big items such as $4.3 billion for K-12 education, $2.1 billion for local property tax relief, $1.4 billion for universities and $1.2 billion for Medicaid, $300 million really is not a sufficient reserve. In fact, the State Budget spends more than $30 million per day every day of the year. A $300 million reserve barely funds 10 days of expenses.

The root of Indiana's budget problems is slow revenue growth. Part of the problem is job loss due to the recession. But the real problem is that Indiana lags the nation in personal income growth. As reflected in **Figure 2**, the problem has steadily grown since 1996. Today, the average Hoosier worker earns only about 91 cents for every $1.00 earned by the average worker nationwide. Just as Hoosier workers earn less, state tax revenues lag as well. If Indiana workers earned the same as the national average, the subsequent gain in tax revenues would erase the state's structural deficit. Indiana needs to improve its economy relative to the nation or Indiana's budget – and the ability to adequately fund priorities like education and health care - will remain a problem.

Beginning in January, the General Assembly will start work on the state budget for the next biennium. Much of the discussion will center on adequate funding for education and health care. But, it is equally important to continue to try to find ways to diversify the economy and stimulate business investment as the real long term solution to the state's budget dilemma.

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While it may seem like Indiana's economy is improving, the state's financial condition remains very weak.

We must find ways to diversify the economy and stimulate business investment and job growth.

Figure 1

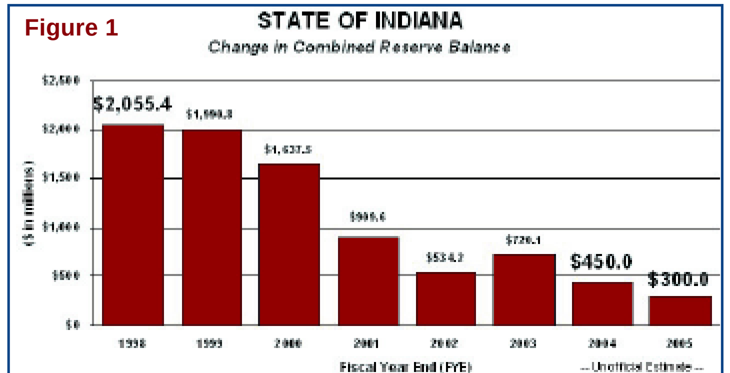

Figure 2